

Section 1

Promoting Educational Excellence

Governor's Charge: *Review existing barriers to academic achievement and make recommendations to ensure that every student has an equal opportunity to a great education, regardless of location, disability, language barriers, and economic situation.*

Study and make recommendations on how to improve the state's ability to attract, recruit, train, and retain high quality teachers so that every child and every classroom has a high quality teacher, including ways to increase compensation to attract our best young students to the profession, keep our experienced teachers in the profession, and align our best teachers with the toughest challenges.

Study Wisconsin's current investments in early childhood education and recommend ways to make other early investments in education to increase student achievement and accomplish other long-term results.

Consider and recommend ways to adequately fund special education, including ways to share special education costs more evenly across the state, while assuring that public education is available to all.

The Governor's charge to the Task Force reflects the holding of the Wisconsin Supreme Court four years ago in its landmark *Vincent v. Voight* case. In that decision, the Court held that "...Wisconsin students have a fundamental right to an equal opportunity for a sound basic education...one that will equip students for their roles as citizens and enable them to succeed economically and personally." The court also stated that "an equal opportunity for a sound basic education...takes into account districts with disproportionate numbers of disabled students, economically disadvantaged students, and students with limited English language skills."¹

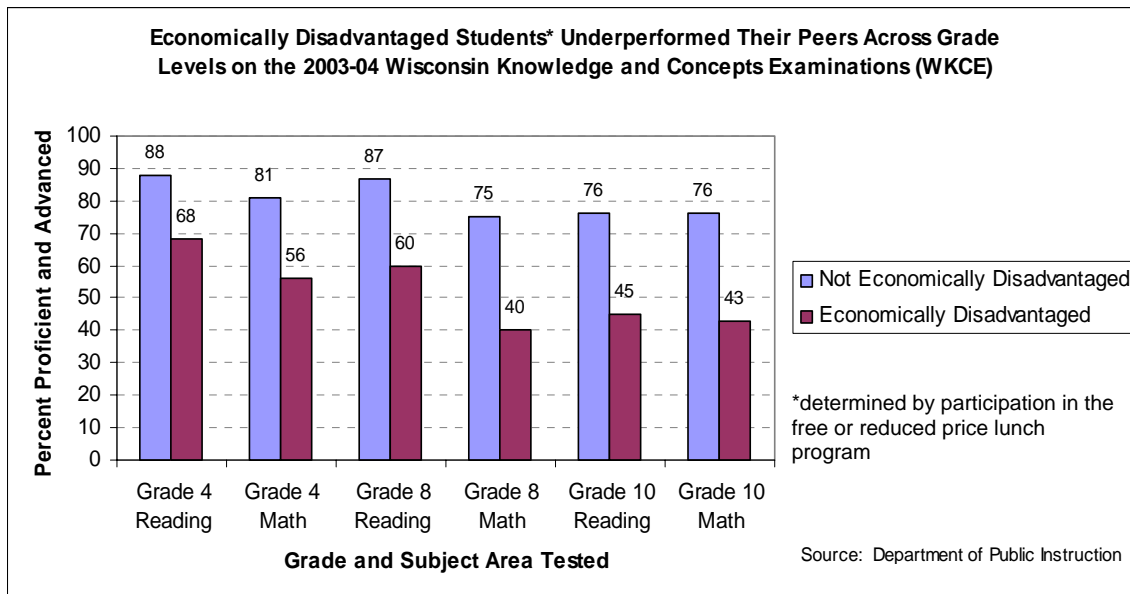
I. Improving Student Achievement

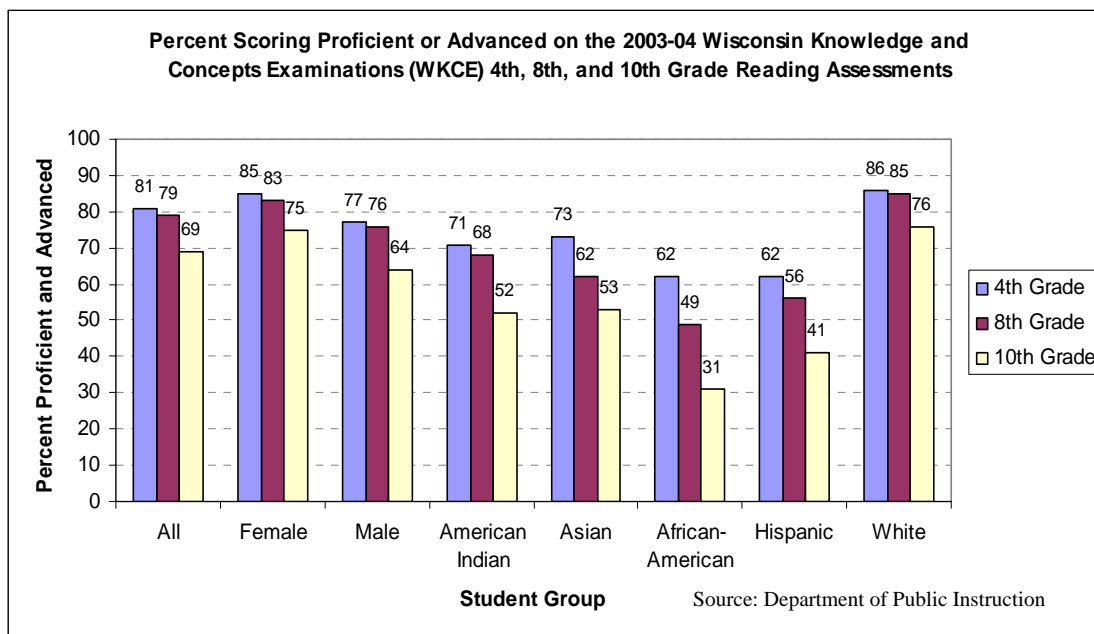
Problem: Wisconsin is a national leader in public education. Overall, Wisconsin students demonstrate high academic attainment levels on most measurable indicators. For example:

- Wisconsin high school students have perennially ranked first in the nation in state average scores on the ACT test;²
- According to *Education Week's* annual *Quality Counts* report, Wisconsin ranked 8th in the overall rate of high school graduation in 2001;
- Our performance on the National Assessment of Educational Progress (NAEP), which measures student achievement at the 4th and 8th grade levels in reading and math, is also consistently above the national average; and
- *Quality Counts* also reports that in 2000 Wisconsin ranked 12th in the percentage of 9th grade students enrolling in a two or four-year higher education institution four years later.

However, Wisconsin also faces serious challenges in certain areas, perhaps the most pressing of which is the persistent gap in performance between children from poor households, children of color, and their peers. The Task Force believes that the current achievement gap is unacceptable, and that changes must be made to ensure that all children in Wisconsin have the opportunity to succeed in school and life. The following facts underscore the magnitude of the problem Wisconsin faces:

- According to the most recent NAEP results, economically disadvantaged students performed below their more advantaged peers on every category tested;
- NAEP results also indicated that the gap between African American and white 8th graders on both reading and math was the largest of any state in the nation;
- As illustrated below, students from poor households also performed below their grade-level peers on all Wisconsin Knowledge and Concepts Exams (WKCE) in 2003; and
- In addition, students of color performed behind their non-minority peers on all state WKCE assessments.





- According to statewide data from DPI in 2002-03, high schools with fewer than 25% of students living in poverty graduated 94% of their students. Schools with 50% or more of their students living in poverty graduated only 72% of their students; and
- The high school graduation gap between children of color and their non-minority peers in Wisconsin is one of the largest in the nation, according to *Quality Counts*.

If the achievement gap is not addressed, thousands of children will fail to develop the skills necessary to find full-time, family-supporting employment. Not only will these children face serious roadblocks to future personal success, the state's economic future will be jeopardized, as well. The Census Bureau reports³ that the annual earnings of high school graduates slipped from approximately two-thirds of the earnings of bachelor's degree recipients in 1975 to only 55% in 1999. While the number of Wisconsin students who pursue a college degree is above the national average, over 55% of Wisconsin 19 year-olds still do not go on to college. For those students failing to earn even a high school degree, census data indicates that annual earnings dropped from 90% of the average earnings for high school graduates in 1975 to 70% in 1999. Moreover, all indications are that the number of good paying jobs requiring only a high school degree will continue to diminish. These data affirm that eliminating the achievement gap and increasing the overall number of college and high school graduates are fundamental to Wisconsin's future.

English Language Learners

The number of English Language Learner (ELL) students in Wisconsin tripled from 1.3% of total student enrollment in 1989-90 to 3.9% in 2003-04. In 2003, DPI identified over 34,000 ELL students in over 200 Wisconsin districts who spoke 85 home languages other than English, primarily Spanish and Hmong. The chart below provides additional information from a recent DPI census of ELL students.

English Language Learner Data in 2002-2003	
# of ELL students identified	34,199
# of ELL students served in state reimbursed programs	22,136
# of state reimbursed programs	43 Appleton, Beaver Dam, Beloit, Burlington, DC Everest, Delavan-Darien, Eau Claire, Elkhorn, Fond du Lac, Franklin, Green Bay, Holmen, Howard-Suamico, Janesville, Kaukauna, Kenosha, La Crosse, Lake Geneva J1, Lake Geneva-Genoa City, Madison, Manitowoc, Marshall, Menasha, Menomonie, Milwaukee, Neenah, New London, Onalaska, Oshkosh, Racine, Sauk Prairie, Sheboygan, Shorewood, Stevens Point, Sun Prairie, Two Rivers, Walworth J1, Waukesha, Wausau, Wautoma, Whitewater, Whitnall, and Wisconsin Rapids
# of ELL students (by language) served in state reimbursed programs	Spanish – 12,846; Hmong – 8,626; Khmer – 159; Korean – 116; Lao – 91; Russian – 91; Serbo-Croatian – 58; Albanian – 55; Mandarin – 53; Tibetan – 26; and Arabic – 15

Current law requires that approximately 40 school districts provide specific bilingual-bicultural programs. The cost of these programs has more than doubled (up 130%) since the creation of this state law. However, the categorical aid for bilingual-bicultural education has not increased since the early 1990s. As a result, school districts are forced to divert resources away from non-ELL children to ELL programs in order to meet the statutory requirements of the program.

In addition, the qualifications for bilingual-bicultural categorical aid have been fixed in law, and no longer reflect the growing diversity of Wisconsin's population. While only 43 districts qualified for categorical aid funding in 2002-03, over 150 other school districts have significant numbers of ELL students to educate without specific state aid to support programs to help them become English proficient. As the overall number of ELL students has increased, so has the number of districts affected.

Paying for bilingual education within the confines of revenue limits forces difficult tradeoffs between essential programs. As the cost of educating ELL students continues to rise, many districts, particularly those with declining overall student enrollments, must choose between taking money out of other priority areas or adequately funding ELL education. The result is that the quality of education for all students suffers. The effect on ELL students is demonstrated by the majority of ELL students who failed to score "proficient" or "advanced" on state assessments. This issue will become more pronounced in the near future as ELL students will be required under federal law to take assessments in English, rather than their native language. As the number of ELL children continues to rise in Wisconsin, so must our commitment to ensure that they become well educated, successful adults.

School Climate

The Task Force believes that school climate can have a dramatic effect on a student's ability to learn and succeed academically. Low teacher expectations for students and other aspects of overall school climate may be a contributor to the achievement gap that persists in Wisconsin. As Wisconsin schools continue to grow more diverse in the coming years, there is a greater need for all Wisconsin students and school staff to understand and respect one another, regardless of their backgrounds. A strong, positive school climate that fosters high expectations among students and staff will help to promote student achievement.

Goals

- Promote high academic performance for all children by ensuring that the opportunity for a sound, basic education exists in all Wisconsin schools.
- Work to eliminate the achievement gap so that every child in Wisconsin has the opportunity to be successful in school and life.
- Ensure that sufficient state resources are available to school districts to reduce the unnecessary competition between ELL students and non-ELL students for needed programs and resources.
- Foster a strong and vibrant school climate that reinforces high expectations for all students and staff and promotes student learning.

Recommendations

1. *The Task Force recommends making additional investments in smaller class sizes by increasing the per pupil SAGE payment from \$2,000 to \$2,500 to help ensure that school districts can continue to offer this important program.*

Justification: The Task Force finds that there is a large body of research concluding that students who are economically disadvantaged or from some racial and ethnic minorities perform better academically in smaller classes.⁴ Studies, including the Student Teacher Achievement Ratio (STAR) study in Tennessee⁵ and the 2000-01 evaluation of the Student Achievement Guarantee in Education (SAGE) program in Wisconsin⁶ demonstrate that small class sizes have been proven to improve student achievement. This pioneering program has reduced class size in kindergarten through 3rd grade (K-3) in many schools throughout the state, and has resulted in achievement gains among its participating students and positive feedback from parents.

Wisconsin's SAGE program began in 30 schools in the 1996-97 school year, and its success among students and parents led to expansions in 1998-99 and in 2000-01. The objective of SAGE is to increase student achievement through the implementation of the following school improvement strategies:

- student to teacher ratios of no more than 15:1 in K-3rd grade;
- increased collaboration between schools and their communities;
- implementation of a rigorous curriculum focusing on academic achievement; and
- improved professional development and staff evaluation practices.

SAGE schools sign 5-year contracts with the state and receive state aid equal to \$2,000 for each low-income child (as determined by participation in the federal free or reduced price lunch program) in K-3. In 2003-04, nearly 98,000 children benefited from participation in a SAGE classroom.

At its peak in 2000-01, 578 schools participated in the SAGE program. In 2003-04, the number of participating schools had dropped to 529. According to anecdotal evidence, a lack of sufficient funding was cited, in some cases, as contributing to the decision to eliminate the program. State funding for SAGE, which was \$4.5 million in 1996-97, has grown to \$95 million in 2003-04, but the per pupil funding level of \$2,000 has not changed since the program's inception. As fixed costs, such as health insurance, continue to grow, \$2,000 per student does not buy districts today what it did when the program was first created. The lack of any increase in state per pupil support that recognizes even inflationary increases in costs

for this program is leading more districts to question whether they will be able to continue SAGE participation.

Estimated Fiscal Effect: Increasing the per pupil payment from \$2,000 to \$2,500 would cost an estimated \$24 million annually.

2. *The Task Force recommends giving strong consideration to permitting additional schools to enter into SAGE contracts with DPI. Priority would be given to schools with the highest poverty levels.*

Justification: As noted in Recommendation #1, the Task Force finds that the SAGE small class size program has led to increased student achievement, particularly among economically disadvantaged and minority students. Additional schools are interested in offering the SAGE program to their students. However, the last opportunity that new schools had to join the program was in 2001, and current state law does not permit DPI to enter into new contracts with additional schools.

Estimated Fiscal Effect: Unknown. It depends on many factors, including the number of additional interested schools, the state payment per student, and the number of new students.

3. *The Task Force recommends additional investment in before- and after-school wraparound programs in high poverty areas. Specifically, the Task Force recommends creating a state categorical aid program to provide grants to high poverty schools in both rural and urban areas for before and after school programs meeting the following criteria:*
 - (a) *coordinate with parent and community programs;*
 - (b) *coordinate other services (e.g. transportation, child care, translation services) to promote greater parental involvement in and support for their schools;*
 - (c) *encourage the creation of parent resource libraries/community campaigns that underscore the importance of helping children learn at home;*
 - (d) *increase parent volunteer opportunities in school;*
 - (e) *coordinate with community health programs; and*
 - (f) *coordinate with other related programs such as those required by SAGE.*

Justification: There is a large body of research indicating that student achievement is greatly affected by what happens when a child is outside the classroom, in many cases arguing that what happens outside the school day is just as important as what happens while the child is in school. Disengaged parents, low quality child care, a lack of activities during non-school hours all contribute to lower student achievement.

What happens before and after school is an issue not only for schools and parents, but also for the community. Collaborative partnerships among cities, counties, businesses, and schools are critical to the success of efforts to enhance student achievement.

Research shows that parent involvement improves student success, regardless of the parent's income or educational levels, and that parent involvement in learning improves student achievement regardless of racial, ethnic, and economic background.⁷ Parent participation in student learning is also particularly important for children in disadvantaged homes. However, there are serious roadblocks to parental involvement in economically disadvantaged homes, including: a larger percentage of single parent families with less time

available to spend together; lower educational attainment by the adults in the family; and a lack of funds to purchase additional educational materials and experiences. Schools, particularly those in low-income areas, must be a strong partner to help foster family involvement in their children's education.

Research also demonstrates that programs during the hours immediately after the normal school day are critical to both academic achievement and public safety.⁸ Programs like the 21st Century Community Learning Centers, Big Brothers and Big Sisters, and other before- and after-school services enhance student achievement, improve student attitudes, and increase school attendance.

There is currently no state funding targeted to assist districts and schools to implement parental involvement programming and/or extended-day programs. This Task Force recommendation would provide additional resources so that new programs could be created across the state in high-risk schools.

Estimated Fiscal Effect: Unknown. The costs associated with this item will depend on the number of schools and students who would participate in such programs, and the level of state and local contributions expected.

4. *The Task Force finds that a positive, respectful school climate is critical to student performance and recommends the following:*
 - (a) *Develop state standards for educational staff that reflect diversity and multicultural competence;*
 - (b) *Revise current state standards to include expectations for development of student knowledge, understanding, and respect for all diversity;*
 - (c) *Provide professional development opportunities, particularly in schools with significant student performance problems, regarding these new state standards and reinforcing understanding, tolerance and respect for all children; and*
 - (d) *Encourage school districts to incorporate student and staff respect for other persons in mission statements, operating policies, and procedures.*

Justification: The Task Force finds that a school's climate can have a dramatic affect on student performance, and may be a contributor to the achievement gap. Some have suggested that low teacher expectations and standards may be among the causes of the achievement gap.⁹

Schools must create an inclusive environment that breaks down barriers to academic achievement for all students. To this end, the Task Force finds that the development of specific state standards around diversity and multicultural competence, as well as professional development opportunities, will assist in the furtherance of these goals.

Estimated Fiscal Effect: This proposal has minimal state and local costs.

5. *The Task Force recommends substantially increasing funding for the state bilingual-bicultural categorical aid program.*

Justification: The Task Force believes that investment in services and support for ELL students can lead to long-term positive gains. Data from the Sheboygan Area School District

reinforces the benefit of program support for ELL students. After an average of five years of additional services, these Sheboygan ELL students outperformed native English speakers on statewide standardized testing in four out of five subject areas tested.¹⁰

The state bilingual-bicultural aid program last received a funding increase in the early 1990's, and, in 2004-05, it is expected that state categorical aid funding of \$8.3 million per year will reimburse about 12%-13% of eligible school district costs. Maintaining a static dollar level of categorical aid funding, while bilingual-bicultural education costs continue to increase, effectively shifts the funding source for these costs to general school aid and property taxes. Further, the number of ELL students continues to increase rapidly, requiring more school districts to provide bilingual-bicultural programs for ELL students under state law.

Estimated Fiscal Effect: The fiscal impacts of various percentage increases are as follows:

- 5% increase in the state's reimbursement rate (would bring reimbursement level to 15%-16% in FY06 and FY07) = \$3-\$4 million GPR;
- 10% increase in the state's reimbursement rate (would bring reimbursement level to 20%-21% in FY06 and FY07) = \$7-\$8 million GPR; and
- 25% increase in the state's reimbursement rate (would bring reimbursement level to 35%-36% in FY06 and FY07) = \$18-\$20 million GPR. While the Task Force elected not to select a specific funding target, the Task Force suggests that a 25% increase in the state's reimbursement rate would be the most desirable.

6. *The Task Force recommends funding for school districts that do not qualify for bilingual-bicultural categorical aid under current law but are still educating ELL students. Districts receiving such funds must demonstrate that the funds are being used to promote bilingual-bicultural education among their students.*

Justification: The Task Force finds that, while the current state bilingual-bicultural categorical aid provides some minimal assistance to certain districts with ELL students, only 10% of districts statewide are eligible for this funding. Additional assistance must be provided to the districts that do not qualify for aid, but are providing educational services to ELL students nonetheless.

Current state law establishes thresholds, based on the number of ELL students, before requiring districts to provide services to these students. School districts are required to establish programs only if there are:

- 10 or more ELL pupils in a language group in grades K-3 in attendance at a particular elementary school;
- 20 or more ELL pupils in a language group in grades 4-8 in attendance at a particular elementary, middle or junior high school;
- 20 or more ELL pupils in a language group in grades 9-12 in attendance at a particular high school;

Only approximately 40 districts meet these threshold requirements, and only 65% of the state's ELL students are served in these districts. Approximately 160 school districts are educating the remaining third of Wisconsin's ELL pupils, but receive no additional state assistance in providing for their education. The Task Force recommends addressing this

inequity by increasing assistance on a per pupil basis to these districts that currently receive no state aid for their bilingual education efforts.

Estimated Fiscal Effect: Examples of the cost of providing funds on a per student basis to all districts with ELL students are as follows:

- \$100 per pupil = \$1-2 million GPR;
- \$250 per pupil = \$3-4 million GPR; and
- \$350 per pupil = \$5-6 million GPR. (NOTE: The current state reimbursement rate of bilingual-bicultural aid on a per pupil basis is roughly \$350 per pupil.) While the Task Force elected not to select a specific funding target, the Task Force suggests that the \$350 per pupil amount would be the most desirable.

7. *The Task Force recommends increasing the state's commitment to high quality summer school programming. The Task Force did not recommend a specific mechanism for increasing funding, but rather provided two examples. These examples are:*
- (a) *Increasing the current revenue limit authority factor for summer school enrollment from 40% of full time equivalent (FTE) student to a higher percentage, such as 50%, for districts that provide programming that research indicates improves student achievement; and*
- (b) *Allocating additional resources for summer tutoring and other special services for students in high poverty schools.*

Justification: Many school districts currently provide summer school programs for remediation purposes in order to improve student achievement. Further, research consistently shows that students, especially low achieving students, lose significant ground over the summer months.¹¹ Summer instruction can help students better retain the knowledge they have gained during the school year, and prepare for the coming school year.

However, due to summer school revenue limit constraints, some districts have been forced to reduce summer school programs (e.g. MPS in 2003) in order to have adequate resources to support regular school year programs. Given the growing challenges faced by all districts in maintaining current summer school programs, consideration should be given to increasing the revenue limit factor for summer school from 40% to a higher figure. This initiative may also be helpful in encouraging the 10% of school districts in the state that currently do not offer any summer school opportunities to establish a summer school program. Furthermore, additional consideration should be given to providing more targeted instruction, such as summer tutoring, to those low-income students who attend chronically under-performing schools.

Estimated Fiscal Effect of Example (a): Increasing summer school reimbursement to 50% would provide school districts approximately \$4-\$5 million in additional revenue limit authority in Year 1, \$8-\$10 million in additional revenue limit authority in Year 2, and \$12-\$15 million in additional revenue limit authority statewide once the three-year phase in of the increased enrollment count is completed.

Estimated Fiscal Effect of Example (b): Unknown. The fiscal effect depends on many factors, including setting the minimum eligible school poverty rate, low achievement criteria, and identifying which services are eligible for state aid.

8. *The Task Force recommends the creation of a 10-school pilot program focused on high poverty districts and/or schools throughout the state to develop extended year programs coordinated with other parent and community programs. Specifically, these programs would provide funding to either districts or schools that extend their school years beyond the current statutory 180-day minimum.*

Justification: While research underscores the importance of continuous learning for all students, this is especially true for students living in poverty. Recent research found that lower achieving students lose ground over their summer vacations at a greater rate than other students, and lower achieving students in an extended-year school experienced achievement gains in math and reading and maintained their advantage over their counterparts.¹² Moreover, the loss of knowledge over the summer creates inefficiencies by forcing teachers to spend significant time reviewing information covered in the previous year.

Under current law, there is no financial incentive for school districts to schedule more than 180 days of school. The Task Force believes that there is sufficient research demonstrating the effectiveness of extended school years, and believes extended-year pilot programs are worth pursuing.

Estimated Fiscal Effect: Approximately \$10 million annually. To the extent that state dollars are limited, other sources of funding, such as private gifts or foundation grants, could be sought.

9. *The Task Force recommends exploration of a pilot “residential school” that would recruit homeless and foster children.*

Justification: The Task Force recognizes that a stable and secure environment is desirable for academic achievement. The Task Force also recognizes the challenges faced by children in urban environments who frequently move, and may be in multiple foster care homes, or may be homeless. The Task Force heard testimony that as many as 8,000 MPS students are homeless at different times in a single school year.

Recent experiences from a public boarding school for students in grades 7 through 12 in Washington D.C. established by the SEED Foundation indicate that a college-preparatory boarding school environment may offer a stable, alternative environment for these students. According to 2004 data from the SEED Foundation, 97% of the students who entered SEED’s ninth grade class were on track to graduate from high school in 2004, versus 63% at DC Public Schools (DCPS), and 86% of the students who entered the ninth grade class had been accepted to college in 2004, versus 30% in DCPS.

These early results demonstrate why a residential school for homeless children is an alternative that should be considered, particularly for those students without a stable living arrangement in the MPS attendance area.

Estimated Fiscal Effect: Unknown. The fiscal effect of this recommendation depends on many factors. To the extent that state funds are limited, other sources of funding, such as private gifts or foundation grants, could be sought.

10. *The Task Force recommends studying the feasibility and value of funding school districts based on average daily attendance. The study would examine the impact of average daily attendance systems in other states, including the effect such systems have had on attendance rates and student achievement, and would take into account any additional stress that such a system might place on high poverty schools.*

Justification: The Task Force recognizes that student attendance is critical to student achievement, and that even the most effective curriculum will make little difference if students do not show up for school. Students who are habitually truant are less likely to succeed academically, and are far more likely to drop out of school. Exploring a system of school funding that is based on average daily attendance over the course of a full school year, as opposed to attendance on two only specific days (the third Friday in September and the second Friday in January), would provide a financial incentive for school districts to make sure students are at school every day. This change would encourage schools, districts, and other community organizations to find innovative ways to reduce truancy.

Estimated Fiscal Effect: Minimal fiscal effect. A study could be funded through state, private, or foundation sources.

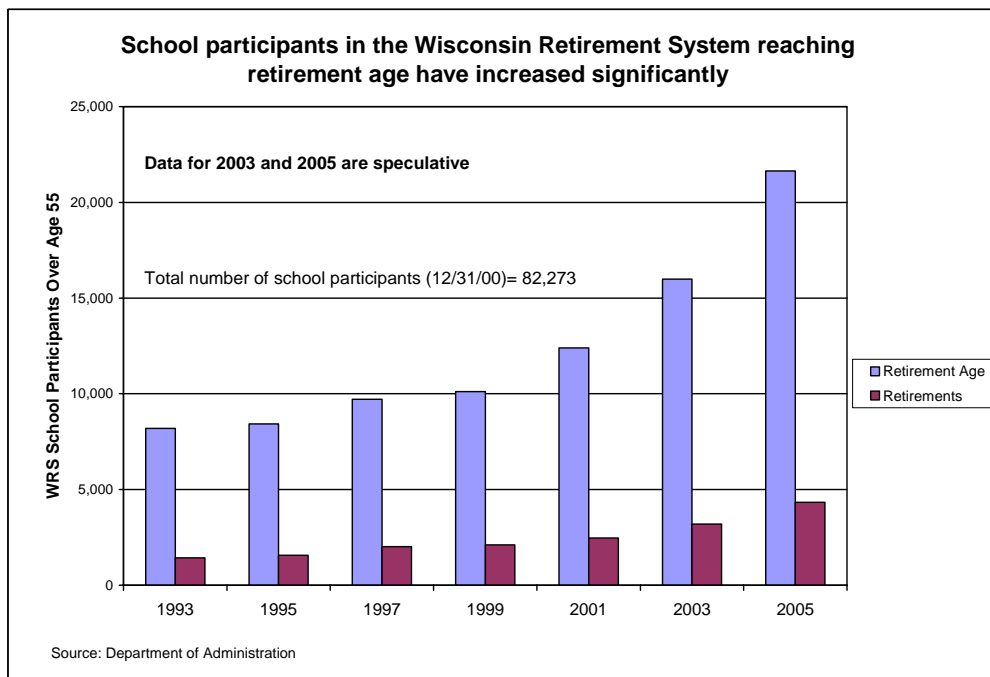
II. Strengthening the State's Efforts to Attract and Retain High Quality Teachers as a Means to Improve Student Achievement

Problem: Studies have long shown that one of the most, if not the most, important factor in student achievement is a high quality teacher in the classroom. According to the DPI, nearly 900,000 Wisconsin students attend public schools from 4 year-old kindergarten (4K) through grade 12, and are served by over 60,000 teachers, 15,000 aides, and 1,700 principals. It is a testament to the dedication of these educators and the parents of our students that the state continues to maintain its high rankings on national tests and college attendance. However, to succeed in an increasingly competitive and global economy, Wisconsin must do better.

Teacher Shortages

The recruitment and retention of public school teachers in Wisconsin, particularly to certain high poverty urban and rural schools and high-need subject areas, are critical issues facing many schools. The Task Force heard testimony suggesting that many of the hard-to-staff schools can attract qualified younger teachers to apply for teaching positions. However, once these teachers are given more experience, they often leave for other schools offering higher salaries and better working conditions, or are located in communities that may be perceived to be more desirable.

Another pressing issue is that Wisconsin, along with many other states, is facing increasing retirements of "baby boom" generation teachers. According to a June 2003 report by the Wisconsin Taxpayers Alliance, nearly one-third of Wisconsin public school teachers were age 50 or older in 2002.¹³ Wisconsin Department of Employee Trust Funds data indicate that by 2005 the number of teachers eligible to retire will have increased 160% over the 1993 number, from 8,200 to almost 22,000. Given the challenges posed by an aging teaching workforce, Wisconsin school districts must have the ability to attract, train, and retain more highly qualified teachers.



Source: Wisconsin Department of Employee Trust Funds and Department of Administration

In addition to replacing larger numbers of retiring teachers, Wisconsin also faces challenges in recruiting and retaining teachers in certain subject areas. According to DPI's annual report on teacher supply and demand, the subject and licensure areas with extreme shortages in Wisconsin included Special Education fields, Bilingual/ESL, and high school specialties such as Technology, Chemistry, and Physics.¹⁴

Teacher Compensation

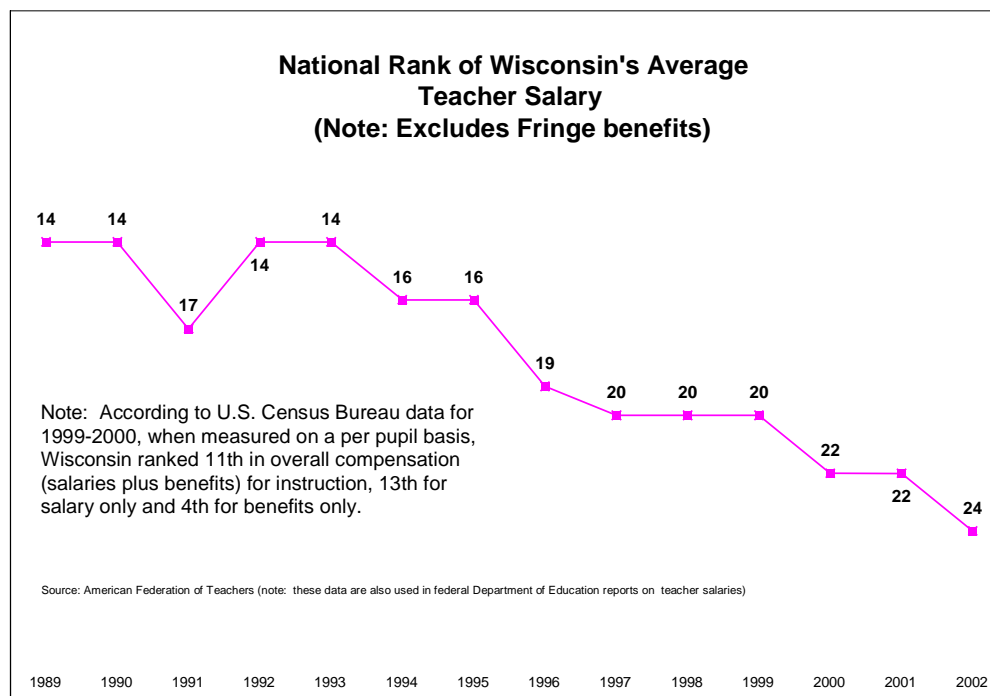
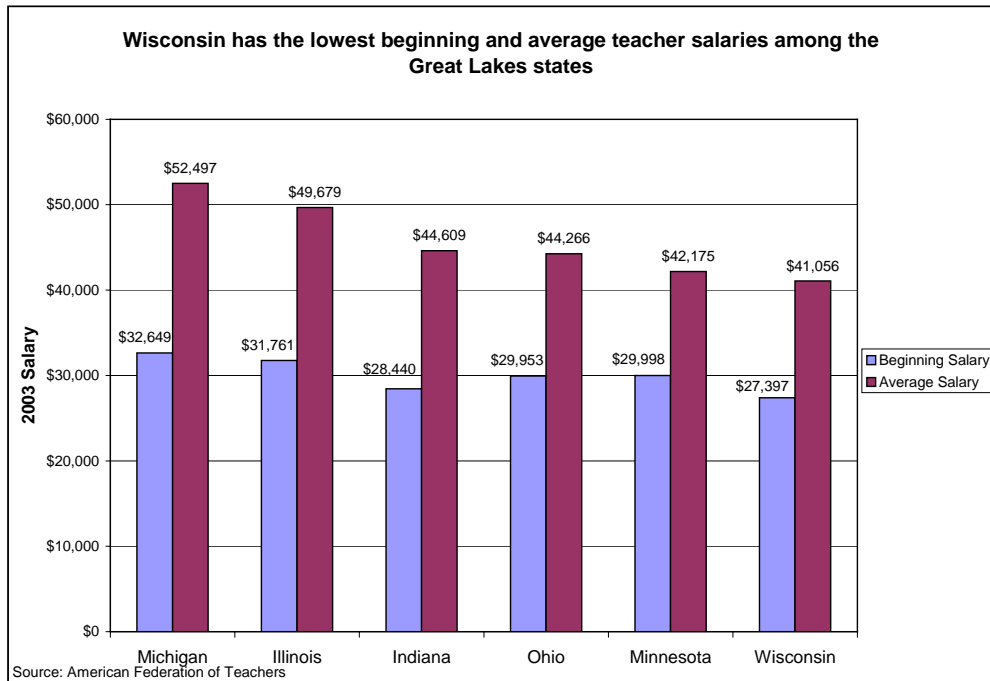
One important component of attracting and retaining qualified candidates to any career is salary. Wisconsin's national teacher salary ranking has dropped in recent years, largely as a result of the Qualified Economic Offer (QEO) law.

Under the QEO law, a school board can avoid interest arbitration on economic issues in teacher bargaining, if it offers a QEO. To be valid, a QEO must:

- provide a total compensation (salary and fringe benefits) increase over the prior year of 3.8% as measured against the prior year's district-wide base compensation, using the "cast forward" method of costing;
- maintain (1) all employee fringe benefits, as they existed 90 days prior to the expiration of the previous contract, and (2) the district's percentage contribution to that package;
- if maintaining the fringe benefit package costs more than 3.8% of total base compensation the board may cut salaries; and
- use the amount, if any, of the 3.8% remaining after fringe benefits are paid for salary increases first to pay employees for additional years of service before providing any general across-the-board increases.

According to data collected by the American Federation of Teachers (AFT), Wisconsin now has both the lowest average salary and lowest beginning salary in the Great Lakes Region.¹⁵

Wisconsin's overall national rankings on average teacher salaries, excluding fringe benefits, have also declined consistently since the QEO law was implemented. This decline in national ranking also exists when comparing Wisconsin teacher salaries to comparable salaries in the private sector and adjusting teacher salaries for the cost of living.



In addition, the QEO law has inhibited efforts to make innovative changes in the typical teacher salary structure. Under current law, few incentives exist to encourage school districts and teacher unions to deviate from the traditional salary schedule, based solely on credits earned and years served. Research presented to the Task Force by Dr. Allan Odden, Professor of Education at the University of Wisconsin-Madison and a national expert on school finance, concludes that years of experience, degrees earned, and continuing education credits are not strongly linked to teacher effectiveness.¹⁶ These data suggest that a compensation system based solely on these factors is outdated, especially when the ultimate goal is to improve student achievement.

DPI has taken a critical first step to promote student achievement through its recent implementation of PI 34, the Wisconsin Quality Educator Initiative. Under PI 34, DPI has created a three-tiered licensing system to focus teacher education, licensing, and professional development on the knowledge and skills necessary to become a better teacher. The following table, prepared by DPI, summarizes PI 34 licensing stages in greater detail.

WISCONSIN QUALITY EDUCATOR INITIATIVE LICENSE STAGES CHART

EDUCATOR LICENSE STAGES UNDER PI 34			
Components	Initial Educator Available after 8/31/2004	Professional Educator* Available 7/1/2004	Master Educator (optional) Available 7/1/2004**
Wisconsin Standards for teachers, administrators, and pupil service personnel	Proficiency in all teacher, pupil services or administrator standards-focus on 2 or more	Increased proficiency in all teacher, pupil services or administrator standards, but focus on 2 or more	Mastery of all teacher, pupil services or administrative standards
Prerequisites	Completion of a performance based professional education program with IHE endorsement Passing scores on state superintendent approved standardized test in license area	Successful completion of initial educator requirements/PDP	Complete five years successful experience as professional educator, and related Master's Degree
Professional Development Plan: • Learning Goals • Identified Activities • Timelines • Evidence of Collaboration • Assessment Plan	Yes	Yes	Portfolio to state superintendent with evidence of Standards Mastery and • contributions to profession • improved pupil learning • & demonstration of exemplary school performance – (video)
Length of License	5 year non-renewable, minimum three years	5 year renewable	10 year renewable
Who approves, monitors and assesses?	Team: Initial Educator Team Three members—administrator, IHE representative, peer (not mentor) approve goals, monitor & verify completion of the professional development plan	Team: Professional Development Team—3 licensed educators selected by peers review and verify successful completion of the professional development plan	Team: Assessment Team—3 trained educators of similar job responsibilities selected by state superintendent—assess evidence of mastery of all standards through required portfolio entries & video review
Support	Mentor and feedback from Team	Feedback from Team	Assessment & feedback by Team

*Please note: Currently licensed educators may continue to renew their licenses at the professional stage by completing either a professional development plan or six semester credits of professional development.

**The master educator license is currently available for teachers certified by the National Board for Professional Teaching Standards.

PI 34 will first apply to new teachers who graduate from a teacher education program after August 31, 2004. However, while these rules dramatically shift the licensing process in the direction of emphasizing teacher effectiveness over longevity, there is no link between DPI's new licensing rules and salaries. Changes in state law, such as the repeal of the QEO, are needed to encourage school districts and teacher unions to develop, through collective bargaining, salary structures consistent with PI 34 that meaningfully reward increased staff knowledge and skills development. Further, even if districts and unions reach agreement on innovative compensation

systems that directly reward teachers for improved pupil learning, they may need additional assistance to fully implement these plans. Additional incentives, including state funding for pilot projects, should be available for those districts that agree through collective bargaining to implement a system that provides additional rewards for improved teacher effectiveness and student learning.

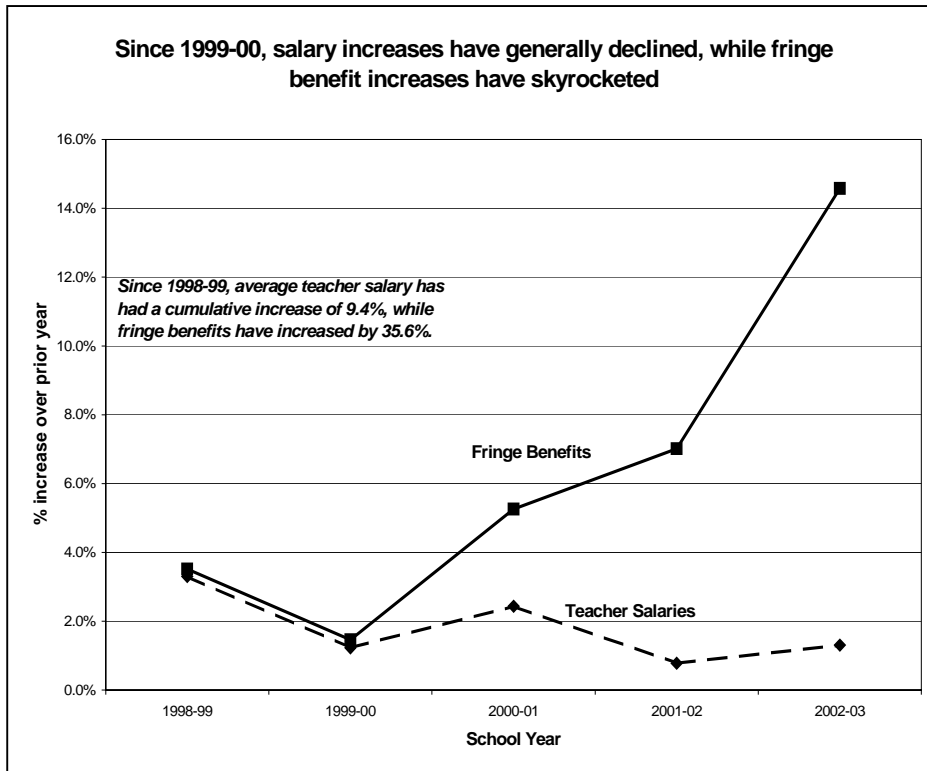
In addition to constraining salary structure changes, the QEO has also inhibited local innovation on health insurance matters. The requirement that districts maintain the existing fringe benefits package, if they choose to impose a QEO, has significantly reduced incentives to bargain alternative health care packages.

According to data from the Wisconsin Association of School Boards comparing health insurance premiums to beginning teacher salaries, the average cost of family health insurance for teachers almost doubled between 1998-99 and 2002-03.

State Wide Comparison Between BA Base and Health Insurance Increases – Historical					
Year	Family Health Insurance Premium	Percent Increase	BA Base	Percent Increase	Insurance % of BA Base
1984-85	2,016		14,630		13.78%
1985-86	2,058	2.10%	15,705	7.35%	13.11%
1986-87	2,160	4.93%	16,715	6.43%	12.92%
1987-88	2,482	14.92%	17,711	5.96%	14.01%
1988-89	2,958	19.18%	18,640	5.25%	15.87%
1989-90	3,613	22.16%	19,541	4.83%	18.49%
1990-91	4,273	18.26%	20,526	5.04%	20.82%
1991-92	4,625	8.23%	21,548	4.98%	21.46%
1992-93	4,958	7.21%	22,558	4.69%	21.98%
1993-94	5,518	11.28%	23,209	2.89%	23.77%
1994-95	5,673	2.81%	23,651	1.90%	23.99%
1995-96	5,745	1.27%	24,031	1.61%	23.91%
1996-97	6,027	4.91%	24,530	2.08%	24.57%
1997-98	6,218	3.17%	25,090	2.28%	24.78%
1998-99	6,691	11.01%	25,733	2.56%	26.00%
1999-00	7,124	6.47%	26,454	2.80%	26.93%
2000-01	8,024	12.65%	27,054	2.27%	29.66%
2001-02	9,646	20.21%	27,668	2.27%	34.86%
2002-03 ¹	13,022	35.00%	28,296	2.27%	46.02%
Avg. - Since 84-		11.43%		3.75%	
Avg. - Since 90-		10.96%		2.90%	
Avg. - Since 93-		10.88%		2.29%	
Aggregate Increase		546%		93%	
¹ Estimate					
Source: WASB Database – March 22, 2002.					

*Note that family health insurance premiums vary significantly among school districts.
These numbers represent averages.*

The increasing cost of health insurance and the concomitant decline in national teacher salary rankings is made clear by comparative data. Census Bureau data, which reports instructional fringe benefit information on a per student, rather than a per teacher, basis, shows Wisconsin consistently ranked between 2nd and 4th between 1992-93 and 2000-01, while its salary ranking has dropped.¹⁷



The Task Force believes that the repeal of the QEO will free teachers and school boards to collectively bargain more meaningful changes in salary structure to reward the teachers' knowledge and skills, and to pursue cost effective innovations in health insurance.

Teacher Recruitment, Retention, and Diversity

Wisconsin also faces serious challenges in diversifying its workforce, recruiting and retaining highly-qualified teachers to teach in high poverty urban and rural areas, and retaining highly qualified teachers in subject areas where teacher turnover is high. A 2002 study on teacher turnover in the Midwest reached the following conclusions about Wisconsin's experience¹⁸:

- 20% of new teachers in Wisconsin left the profession within 5 years;
- 19% left their starting district to teach elsewhere in Wisconsin within five years; and
- Teachers with graduate degrees were significantly more likely to leave teaching.

Further, the researchers' conclusions about specific professional characteristics raise additional concerns:

- Turnover in smaller school districts was nearly 50% after 5 years;
- Teachers are less likely to move out of urban districts and are much more likely to leave low-enrollment, non-urban districts. Among the states studied, this characteristic was

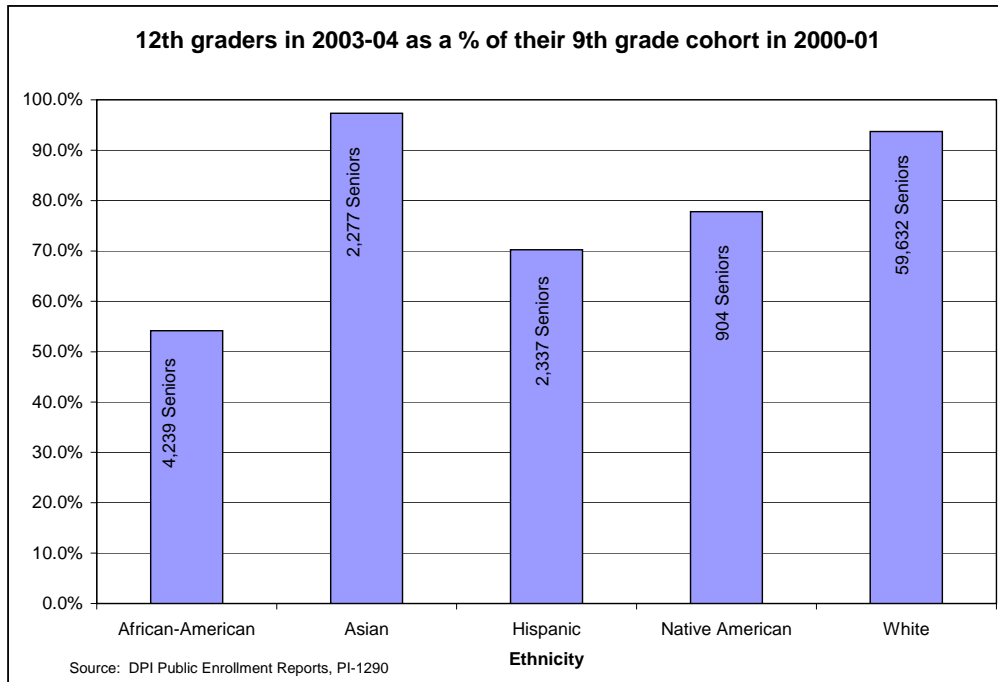
unique to Wisconsin. However, it should also be noted that retention continues to be an issue in Milwaukee, which, according to DPI data, has the 2nd least experienced teaching force in the state. Milwaukee teachers' average total experience of 9.8 years is significantly below the state average of 15.3 years;

- Secondary teachers are more likely than other teachers to leave the profession; and
- Secondary teachers in the arts, science, math, vocational education and foreign language are the most likely to leave teaching altogether.

In addition to staffing under-served areas and subjects, developing a teaching workforce that reflects the diversity of the state's population is of critical importance and is an area where Wisconsin needs dramatic improvement. The disparity between the number of students of color and the number of teachers of color in the current workforce is striking. African American students, for example, comprise 10.5% of Wisconsin K-12 students. African American teachers, on the other hand, comprise only 2.8% of Wisconsin's teaching force. Similar disparities exist for Hispanic, Native American and Asian teachers.

Data from the University of Wisconsin (UW) System, compiled and analyzed by the Wisconsin Department of Administration (DOA), illustrate another difficulty in achieving parity between students and teachers of color. For example, to achieve parity between the percentage of African American teachers and African American students would require an additional 4,600 African American teachers. The sum of all bachelor's degrees awarded to African American students, regardless of major, by the UW System over the 10 year period between 1993 and 2003 equaled only 3,624. As a result, if every African American awarded a bachelor's degree over that period became a teacher, an unrealistic assumption, only about 80% of the need would have been met. By comparison, white students receiving bachelor's degrees over that same period equaled almost three times the number of white teachers.

The problem can be traced back even further. Data from DPI indicate that the number of African American high school seniors in 2003-04 equaled only 54% of this cohort when they were 9th graders in 2000-01. The rates for Hispanic and Native American students are also a cause for concern at 70% and 78%, respectively, while the number of Asian and white seniors exceed 90% of the number for their respective cohorts of 9th graders.



Goals

- Improve student achievement by ensuring that every child and every classroom has a high quality teacher.
- Improve recruitment and retention of high quality teachers by improving teacher compensation.
- Promote the adoption of compensation systems that are based not just on credits earned and years served, but are linked to the acquisition of the knowledge and skills needed to improve teacher effectiveness in the classroom.
- Provide incentives for additional compensation based on improved pupil learning.
- Improve the diversity of Wisconsin's teaching force.
- Connect the best and most experienced teachers with the most challenging teaching experiences, including high poverty urban and rural environments, and the most challenging and understaffed subjects.

Recommendations

- 11. The Task Force recommends that school boards and teachers should give high priority in bargaining to compensation systems that, in a manner consistent with PI 34 or similar structures, reward the acquisition of relevant subject-area knowledge and skills. Linking salary increases to the acquisition of knowledge and skills better achieves the goal of improved teacher effectiveness and student learning than does a system based exclusively on length of service and credits earned.*

Justification: As discussed above, salary increases based solely on years served and credits earned do little to promote and reward direct classroom improvements. The Task Force believes that moving to a compensation system based on the acquisition of knowledge and skills specifically related to the grade levels and subjects taught will achieve greater teacher effectiveness in improving student learning.

PI 34 offers a framework that can be used for salary increases that moves away from a longevity/credits-earned system to a system based on knowledge and skills. At both the professional and master teacher levels, PI 34 explicitly requires teachers to demonstrate the acquisition of relevant knowledge and skills, and improved student learning:

- Under PI 34.18(2)(a)(5), professional educators must complete a professional development plan that demonstrates increased proficiency and which reflects the standards in subchapter II, as appropriate, including an assessment plan that specifies indicators of growth and how meeting the goals improved the educator's professional knowledge *and affected student learning*. (emphasis added)
- Under PI 34.19(2)(d), a candidate for the master educator license shall submit an application to the state superintendent that includes *evidence of improved pupil learning*. (emphasis added)

However, with no link between the PI 34 license stages and collectively bargained salary structures, the potential effectiveness of these rules is seriously compromised. The Task Force believes that school districts and teachers will better serve their students and communities by linking such compensation to the acquisition of knowledge and skills.

Estimated Fiscal Effect: No state fiscal effect.

12. *The Task Force recommends that incentives, including state funding for pilot programs, be available to districts that agree through collective bargaining to implement a compensation plan that is more directly linked to the acquisition of relevant knowledge and skills and demonstrated improvements in pupil learning.*

Justification: In addition to linking compensation to the acquisition of relevant subject area knowledge and skills, the Task Force believes that there should be additional incentives for those districts that agree to implement compensation systems based more directly on pupil learning. For example, the Subcommittee on Teacher Issues heard testimony about experiences in the Plymouth School District, where the teachers and the local board agreed through collective bargaining to implement a voluntary compensation system based on additional teacher knowledge and skills, and impact on pupil learning. Despite developing this innovative compensation system, which has been bargained into the contract, Plymouth has not been able to implement the pay increments because funding is not available without making, what have been deemed to be, unacceptable cuts in other areas. Additional incentives, such as state funding, would allow Plymouth to move forward with this new system.

Another example is the recent agreement between the teacher union and school board in the Denver Public School system (DPS) to develop a Professional Compensation System (ProComp) for its teachers.¹⁹ ProComp, developed by the DPS and Denver Classroom Teacher Association's Joint Task Force on Teacher Compensation, will replace the previous salary structure, based solely on years of experience and graduate credits earned, with a new system. The new system will base teacher pay on a variety of measures of teacher effectiveness, including knowledge and skills, student achievement growth, professional peer and supervisor evaluations, and market incentives such as location, experience, and education level.

In order for Wisconsin to maintain the quality of its future workforce and guarantee its students a bright future, the Task Force believes that Wisconsin must focus more intensively on ensuring that all pupils achieve at high levels. If teachers and school boards in Wisconsin agreed through the local collective bargaining process, as the Plymouth School District did, to work toward systems that promote pupil learning, state-based incentives should be available to allow districts to pilot these innovations. Assistance should be provided wherever possible to encourage the creation of innovative compensation systems that reward teachers for acquiring and implementing the knowledge and skills that have been demonstrated to improve pupil learning.

Estimated Fiscal Effect: Unknown fiscal effect.

13. *The Task Force recommends the creation of a new categorical aid program to help support the shared state and local commitment to providing mentors to new teachers under PI 34.*

Justification: There is general consensus among researchers and practitioners that one of the most important factors in retaining new teachers is appropriate support and mentoring. Research also concludes that this support may be even more critical to retaining new teachers than are salary or other benefits.²⁰ At a time when we need to attract and retain more teachers and expect more from their performance, it is critical that they have the support of colleagues and mentors. PI 34, which was crafted by DPI in partnership with state and local education stakeholders, reinforces this commitment by requiring mentoring for new teachers. The Task Force believes that retaining high quality teachers should be a shared state and local goal, and believes that the cost of mentoring likewise should be shared between state government and local school districts.

Estimated Fiscal Effect: \$5-\$6 million total cost annually. The Task Force recommends that the cost of mentoring be split evenly between state and local funding. Thus, the categorical aid program should provide \$2.5-\$3 million annually toward the cost of mentors under this program.

14. *The Task Force recognizes that increasing health care costs are a national problem that, in combination with the QEO, is having a particularly negative effect on Wisconsin school district budgets. Increasing school employee health insurance costs must be addressed so that funding fringe benefits does not make needed improvements in teacher salaries impossible for districts and their taxpayers. The repeal of the QEO (recommendation #15) is a good first step to empower teachers and school boards to search for more innovative solutions to this problem.*

Bargaining on health care benefits should respect the fact that such benefits have been established through the collective bargaining process, often at the expense of higher salaries. Savings achieved through health care reforms should not be viewed as resources to fill budget gaps, but as resources designated primarily for improvements to teacher salaries (or to meet other mutually agreed upon areas). While health care reforms could provide one source of funds for increasing teacher salaries, they should not be viewed as the only such source.

Justification: The cost of health insurance has increased significantly in recent years for all levels of government and for the private sector. As such, controlling health care costs is a national problem that requires comprehensive solutions. Without the chilling effect of the QEO, there would be greater incentive to control school district health insurance costs in the course of the collective bargaining process.

Additionally, under the structure of the QEO, health insurance increases will eventually devour teacher salaries. If, for example, health insurance premiums increase by an average rate of 20% annually, by 2017 a school district paying an average school teacher salary (\$45,000) could theoretically meet the QEO by reducing the salary to \$0 and paying only health insurance premiums. If rates increase by 25% (the approximate rate of increase in FY03), that point would be reached in 2014.

It is clear that, under the current system, health insurance costs will continue to consume an increasing share of school district budgets, thereby limiting teacher salaries and forcing cuts in other areas of the district's budget, including instruction.

Estimated Fiscal Effect: No state fiscal effect, and an undetermined local fiscal effect.

15. *The Task Force recommends repeal of the current QEO law because it is not having a positive effect on the educational environment. As the Task Force's recommendations on teacher compensation systems and health insurance indicate, the QEO repeal recommendation is also made, in substantial part, with the expectation that such repeal will free teachers, administrators, and school boards to engage in the creative collaboration necessary to address salary structure (recommendations and #11 and #12), health insurance (recommendation #14), and appropriate incentives to foster student achievement in light of 2004-05 educational and economic realities.*

The Task Force further recommends that all non-QEO portions of Chapter 111.70(4)(cm)(7) continue as currently stated if revenue caps continue to exist.

Justification: Most teachers, school administrators, and school board members agree that the QEO law has seriously eroded teacher morale, because it applies only to school district professional employees and restricts local collective bargaining. The QEO law has contributed to Wisconsin's current position as the least competitive of the Great Lakes states in starting and average teacher salaries. The combination of increasing teacher retirements and constrained salaries creates conditions that could easily lead to diminishing instructional quality at a time when our economic future depends on a highly educated work force.

Given Wisconsin's teacher shortages in hard-to-staff schools and subject areas, as well as the upswing in teacher retirements, Wisconsin must do all it can to increase the number of qualified individuals seeking to become teachers, and to keep more of the qualified individuals who have already entered the profession. The effects of the QEO on morale and salary may adversely affect our attempts to attract new teachers to the profession and to keep qualified teachers in the classroom. The QEO has also impaired the ability of school boards and teachers to collectively bargain innovative approaches to salary structures and other compensation items, which may promote greater teacher effectiveness.

Some have argued that a mismatch exists between the allowable per pupil revenue limit increase, which averages 3%, and compensation increases under the QEO, and that this

mismatch will only be exacerbated if the QEO is repealed. However, the Task Force believes that this concern is unfounded given the criteria arbitrators must consider in evaluating final offers.

When revenue caps were created in the 1993-94 legislative session, new arbitration criteria were also enacted to give greater weight to local economic conditions and greatest weight to the revenue caps. Under section 111.70(4)(cm) of the Wisconsin statutes, the greater and greatest weight factors are as follows:

‘Factor given greatest weight’ - *In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.*
(111.70(4)(cm)7)

‘Factor given greater weight’ - *In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r.*
(111.70(4)(cm)7g)

In other words, in evaluating final offers, an arbitrator must first consider the impact each offer would have on the district's ability to comply with revenue limits and next consider the district's economic conditions in general. These factors were significant in the Task Force's conclusion that repealing the QEO would not return Wisconsin to the situation that existed prior to August 1993, where rapidly escalating teacher salaries led to the creation of the QEO. Since the adoption of the QEO law, only two contracts have been arbitrated. These two examples do not provide enough information to reach a conclusion on how arbitrators would weigh these arbitration criteria in their decisions. Though a repeal of the QEO will likely to lead to an increased number of arbitrations, these criteria should help to mitigate concerns that arbitrator rulings would ignore a district's ability to pay.

Estimated Fiscal Effect: Unknown fiscal effect.

16. *The Task Force finds that teacher recruitment, particularly of minority teachers and to under-served geographic regions and understaffed content areas, is a serious problem, and recommends that more must be done to attract teachers to the profession. Options to improve teacher recruitment include:*
- (a) Repeal of the QEO (Recommendation #15);*
 - (b) Establishment of Knowledge and Skills Based Compensation systems that provide greater salary incentives to both younger teachers and master teachers. (Recommendations #11 and #12);*
 - (c) Support for PI 34, including financial support for mentoring. (Recommendation #13);*
 - (d) Establishment of a statewide teacher cadet program;*
 - (e) Expansion of future teachers clubs, and distributive education (work-study) and youth apprenticeship programs that expose high school students more directly to the teaching profession; and*

(f) Exploration of loan forgiveness plans or financial incentives that have a proven effect.

Justification: Recruiting and retaining education professionals is critical to student performance, though the data on programs that are successful in recruiting and retaining teachers are not as clear-cut as the data illustrating the challenges. While many reviews of the research on retention have found promising results for certain strategies, most acknowledge the difficulty of finding strategies to recruit and retain high quality teachers in challenging assignments when competition for their skills exists both inside and outside the teaching profession.²¹

In general, research suggests that programs fostering a consistently supportive environment for teachers work best for recruiting and retaining teachers. One-time incentives, such as signing bonuses, may be effective in generating initial interest, but the research indicates these approaches alone are not effective in retaining teachers. Strategies that have demonstrated some success include:

- Providing career ladder opportunities, such as the structure established by DPI's PI 34 licensure rules, which encourage teachers to remain in the classroom through the attainment of Master Educator status.
- Creating mentoring programs to provide support and professional development opportunities to new teachers. A comprehensive review of the research on mentoring programs by the Education Commission of the States concluded that "collectively the studies do provide empirical support for the claim that assistance for new teachers and, in particular, mentoring programs have a positive impact on teachers and their retention."²² Mentoring programs generally assign an experienced teacher to work closely with new teachers during their first year or two in the profession. A good example of an effective beginning teacher program is Connecticut's Beginning Educator Support and Testing (BEST) Program, which provides a comprehensive program of mentoring, beginning teacher clinics and content-specific seminars.
- Providing ongoing salary incentives to teach in high need areas. New York State has recently implemented salary incentives for teachers to teach in New York City schools, while California has implemented an income tax credit program for teachers that bases increases on their length of service.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued. Of the options listed above, option (d) would cost approximately \$130 per student, used primarily to train teachers and provide course materials.

17. *The Task Force finds that the number of minority teachers in Wisconsin is far too low and recommends greater attention by policymakers to improving the diversity of Wisconsin's teaching workforce. Strengthening efforts to increase the number of minority group high school and college graduates is a critical component in this effort. In addition to the options mentioned above, other options to improve the recruitment of minority teachers include:*
- (a) *Exploring forgivable loans for undergraduate minority teacher education students attending a UW System institution, with a particular focus on UW-Milwaukee (UWM); and*

- (b) *Considering the creation of a separate category under the Minority Precollege Scholarship program for students who participate in eligible precollege programs related to careers in teaching.*

Justification: The disparity between the number of students of color in Wisconsin's public schools and the number of teachers of color is striking. However, the problem of increasing the diversity of Wisconsin's teaching workforce extends well beyond simply encouraging more minority college students to enter the teaching profession. Other efforts to increase the number of teachers of color are doomed to fail unless high school and college graduation rates among students of color are addressed, as well.

The Task Force finds that a multi-faceted approach, focusing on increasing the number of minority high school graduates and the number of minority students entering and completing college, and recruiting highly-qualified minority students into the teaching profession, holds the best promise to improve diversity in Wisconsin schools.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued.

18. *The Task Force finds that teacher retention is a serious problem, particularly in certain high poverty and/or rural districts and in certain core subject areas. In addition to the recommendations listed above relating to the repeal of the QEO, salary structures based on the acquisition of knowledge and skills and improved pupil learning, and support for PI 34, the Task Force recommends exploring additional options to retain high quality teachers, and to link them with the most hard-to-staff classrooms and subject areas, including:*
- (a) *Expanding the current state program which awards \$2,500 annual grants to teachers who receive National Board of Professional Teaching Standards certification to include teachers who receive the master educator's license under PI 34;*
 - (b) *Providing a state-funded grant so that master educators in schools with greater than 50% low-income enrollment can serve as resources to students, staff and the community; and*
 - (c) *Creating a specialty within the master teacher license category for teaching in high poverty urban and low enrollment rural districts.*

Justification: The data on teacher retirement and teacher retention clearly indicate that teacher retention is one of the greatest problems facing Wisconsin school districts, particularly in certain hard-to-staff schools and subject areas. In general, the research cited earlier, as well as experience, suggest that, with the important exceptions of improving diversity in the teaching force and addressing certain specific recruitment needs (e.g. special education, subject area teachers for isolated rural districts), retaining teachers is a bigger challenge than recruiting teachers. The Task Force believes that more incentives, such as those listed above, must be created to encourage the most highly qualified and highly trained teachers to assist the struggling students, schools, and districts that need them the most.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on the solutions pursued. Of the options listed, option (a) would be estimated to cost \$187,500 in the first year, and an additional \$62,500 per year thereafter.

19. *The Task Force recommends the creation of a state-based grant program for high poverty, low achieving public middle and high schools to attract and retain highly qualified teachers. The grant, which would promote innovative teacher recruitment and retention strategies*

aimed at improving student learning, would be awarded by DPI for a period of five years. Applicants would be required to demonstrate that they experience problems in attracting and retaining high quality teachers, and would be required to use research-based methodologies in their proposal to address these problems. Recipients would be required to submit annual evaluations to DPI on project outcomes, including teacher retention rates, student test scores, attendance rates, graduation rates, and other educational outcome measures. Schools eligible for the grant must be both high poverty and low achieving, and must have been identified for improvement under federal law for more than two years. The grant program would be limited to 30 schools, of which at least 10 must be in MPS.

Justification: The Task Force believes that Wisconsin must do more to improve the achievement levels of students in high poverty, low achieving schools, and recognizes that one of the best ways to accomplish these goals is to link students with a highly qualified, highly trained teacher. While the SAGE categorical aid program currently reduces class size to improve the student/teacher ratio for students in K-3, no such program exists to link economically disadvantaged students in middle and high school with the highest quality teachers.

This recommendation is focused on attracting and, more importantly, retaining high quality teachers to low performing, high poverty urban schools. The Task Force recognizes that these schools are too often revolving doors for new teachers, who may lack the experience and the support necessary to succeed in their new roles. This constant rotation of teachers puts students, many of whom are low-income and minority, at a significant disadvantage, particularly as they begin more difficult and complex middle and high school curriculum that puts a premium on a highly skilled, highly trained teacher.

Estimated Fiscal Effect: Unknown. The fiscal effect depends on a number of factors, including the level of funding desired. To the extent that state funds are limited, private gifts or foundation grants could be sought.

III. Investing in Early Childhood Education

Problem: Wisconsin has a long and proud tradition of providing early childhood services. For nearly 130 years, parents in many parts of the state have had access to publicly funded 4 year-old kindergarten (4K). Despite our proud history, far too many of Wisconsin's youngest children do not have access to the kind of high quality early care and education services they need to be successful in school and life.

Educating a child is one of the most important and complex challenges for parents, caregivers and policymakers. Research clearly demonstrates the benefits of high quality early care and education services. Recent studies have found that 85% of a child's core brain structure is formed by age 3.²³ As a result, the quality of early life experiences is key to a child's growth into a healthy and productive member of society. This research also suggests that children are not born "hard wired" to succeed or fail. Researchers have also concluded the following:²⁴

- All children are born wired for feelings and ready to learn;
- Early environments matter, and nurturing relationships are essential;
- Society is changing, and the needs of young children are not being addressed; and

- Interactions among early childhood science, policy and practice are problematic and demand rethinking.

While the brain research is compelling, social science research that assesses the lasting impact of early interventions is also significant. A research consensus is growing around the belief that high quality early care and education programs can and do have a positive, life-long impact on the lives of children. Researchers at the Federal Reserve Bank of Minneapolis found that “dollars invested in early childhood development yield extraordinary public returns.”²⁵ By using data from the High/Scope study of the Perry Preschool in Ypsilanti, Michigan, the researchers calculated that each dollar of investment in early childhood generated \$8 in benefits. In summing up their research, the Federal Reserve Bank economists stated that investments in early care and education constituted a “good buy” for society that generated rates of return far greater than most if not all other types of public investments.²⁶

Wisconsin is beginning to see returns from our current investments in early childhood education programs, such as 4K. In the last five years, the Wausau School District has experienced a 25% reduction in the number of students identified with learning disabilities at the elementary level, in part due to its 4K program and other community early intervention efforts.²⁷ High quality early care and education programs, like 4K, can help reduce the need for special education services by identifying problems early so that they can more easily be addressed.

Wisconsin, like most other states, does not adequately meet the needs of our youngest children. Far too many children are left daily in the care of under-trained, poorly paid, and over-worked adults who are currently unable to help the children they care for meet their full potential. Although there are many high quality providers of early care and education in this state, these providers tend to be the exception and not the rule, as demonstrated by the following examples.²⁸

- As of June 2003, only 9% of child care centers in Wisconsin, and even fewer family child care homes were nationally accredited;²⁹
- Only approximately 45% of school districts provide 4K programs, and only 23% of eligible children are served in 4K programs;
- The annual turnover rate among child care teachers was 41% in 2002-03;
- 75% of people who work with young children have less than a 2-year technical college degree; and
- 73% of child care workers earn less than \$9/hour.

As these problems demonstrate, Wisconsin’s working families face serious challenges in ensuring that their children are receiving the best possible early care and education for their future growth. More must be done to improve access to early childhood education, improve the affordability and quality of the services provided, and enhance collaboration among state and local partners.

Wisconsin families need more early care and education opportunities for their young children below mandatory school attendance in 1st grade. Wisconsin is not unique in this regard, as many states are struggling during difficult budget times to provide sufficient access to the complete array of child care and preschool programs needed by today’s working families.

Further, for far too many families, the cost of high quality early care and education services is simply too high. Affordability is particularly problematic for families whose incomes exceed child care/Head Start subsidy guidelines, and whose communities do not currently offer preschool services through their public school systems. Even while basic child care services may be available in a community, too few child care providers offer affordable, *high quality* care for

children under the age of 5. Very few incentives currently exist to encourage and reward providers who go beyond basic licensure requirements to offer exceptional early care and education services.

Another problem plaguing Wisconsin's system of early childhood is its complexity. On the local level, there are multiple programs including for-profit child care, non-profit child care, family child care, Head Start, programs for children with disabilities, and school district four- and five year-old kindergarten. This convoluted system is often intimidating to parents who must navigate red-tape and confusion to find the best program for their children. Increased collaboration is necessary at both the local and state level to streamline common efforts to promote the most high quality environments for children and the most seamless system for parents. Many Wisconsin communities have already established successful collaborative "community approaches" to address these issues, but far more communities must work toward this goal.

Goals

- Ensure universal access to high quality, early care and education programs that meet the needs of Wisconsin families.
- Ensure that no parent has to trade-off their child's future against other key household expenses because the cost of child care/preschool is too high.
- Raise the overall quality of early care and education in the state.
- Encourage collaboration and service integration at both the state and local level, which will result in better use of scarce resources, as well as a less complex and confusing system of care for families.

Recommendations

20. The Task Force recommends maintaining the state's commitment to 4K.

Justification: The Task Force strongly believes that Wisconsin's hallmark 4K program is the centerpiece of the state's early care and education system. Wisconsin established its first public kindergarten over 130 years ago, and the state has remained a national leader in early childhood education ever since. In fact, Wisconsin is one of only two states to incorporate funding for 4K into its school finance formula.³⁰

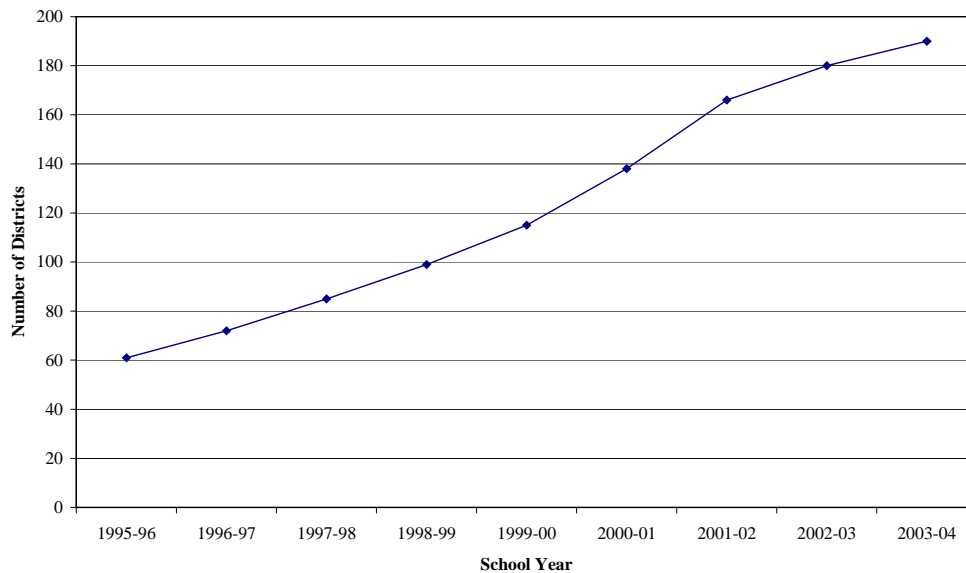
In recent years, however, there have been repeated attempts to cut or completely eliminate state funding for 4K programs. Uncertainty over the future of 4K funding has discouraged some Wisconsin school districts from implementing new 4K programs. If this critical funding was cut, access to affordable early care and education in Wisconsin would be dealt a serious blow. The Task Force believes that full funding should be maintained, and that attempts to eliminate this vital part of the state's early care and education system must be resisted.

Estimated Fiscal Effect: Additional funds beyond the current state funding commitment will likely be needed over time as more programs come on line and per pupil spending increases.

21. The Task Force recommends the creation of a state grant program to help cover the implementation costs of 4K.

Justification: The program will help school districts currently struggling to implement 4K programs. While the number of districts that offer the program has grown in recent years, far too few families still do not have access to 4K. Several districts around the state, including Madison and Green Bay, that have expressed interest in 4K have not been able to move forward because it takes three years to get full funding (under existing revenue limits) for the program. This grant program will help expand access all across the state as well as address affordability concerns since these programs are free for parents.

Number of School Districts Offering 4K Programs



Source: Department of Public Instruction

Estimated Fiscal Effect: \$3 million- \$4.5 million, depending on the amount and number of grants awarded.

22. *The Task Force recommends providing an additional 0.1 FTE of funding for each 4K student in school districts that adopt “community approaches” to early care and education.*

Justification: The Task Force firmly believes in the need to build on the strengths of the current early care and education system and to involve all different types of care providers in the solution for universal access. “Community approaches” integrate the efforts and funding sources for multiple types of early care providers so that more children can be served and so that the overall quality of each provider can be enhanced.

Under this proposal, districts could receive an extra 0.1 FTE of funding (for a maximum of 0.7 FTE) if they adopt a community approaches plan. DPI would certify that a district’s 4K implementation plan included input from a wide-range of providers and that the proposal is consistent with the goal of building on existing strengths and addressing shortfalls in early childhood services. This recommendation addresses both the need to expand access as well as the need to encourage greater collaboration at the local level.

The La Crosse and Wausau School Districts are prime examples of how a “community approach” can help make universal access to early childhood services a reality. As the state continues to promote these approaches, special attention must be paid to:

- Maximizing existing funding at the local level such as the Head Start State Supplement and the Wisconsin Shares program;
- Promoting collaborative approaches to parental outreach; and
- Implementing mechanisms to involve child care, Head Start, and kindergarten teachers in common training and professional development activities.

Estimated Fiscal Effect: For every 10% of districts that adopt community approaches, the increased enrollment count included in this recommendation would provide additional revenue limit authority of approximately \$500,000 in Year 1, \$1 million in Year 2, and \$1.5 million in Year 3.

23. *The Task Force recommends providing 1.0 FTE funding for full-day 4K programs which incorporate both parental involvement and community approaches.*

Justification: 4K programs provide high quality early care and education services and, when matched with “community approaches”, can serve as the centerpiece of an effective universal system of early care and education. Current law provides an additional 0.1 FTE of funding to 4K programs that incorporate significant parent outreach components into their program. In addition, full-day 4K programs that are provided in collaboration with other child care providers can more fully meet the needs of young children, especially in low income areas. Working parents need child care options that extend through out the work day and additional funding for community approaches to 4K would help ensure that parents can access these kinds of programs.

In summary, the Task Force recommends the following funding levels for 4K programs:

- Base Level of Funding = 0.5 FTE (basic half day program)
- Parental Involvement = 0.6 FTE (compliance with current law requirements)
- Community Approach = 0.7 FTE (adopt a community approaches plan)
- Full Funding = 1.0 FTE (for eligible districts that implement full-day 4K and adopt community approaches plans approved by DPI and include parent involvement requirements.)

Estimated Fiscal Effect: For every 1,000 students served by a district implementing a full-day 4K program, the increased enrollment count included in this recommendation (exclusive of the additional 0.1 FTE provided for community approaches in Recommendation #22) would provide additional revenue limit authority of approximately \$800,000 -\$1 million in Year 1, \$1.5-\$2 million in Year 2, and \$2-\$3 million in Year 3. Under the equalization aid formula, districts that implement a full-day 4K program would receive state equalization aid to offset a share of these additional costs in the future.

24. *The Task Force recommends restoration of funding for the T.E.A.C.H. Early Childhood® and REWARD programs that promote high quality care through the professional development of child care professionals.*

Justification: Well-trained teachers improve student achievement. A number of studies demonstrate that early childhood teachers with bachelor's degrees and specialized training in child development raise program quality and result in better outcomes for children. Currently, 75% of the people who care for young children in Wisconsin have less than a 2-year technical college degree. In order to improve the quality of care provided in Wisconsin, ways must be found to train more child care professionals so that they have the necessary skills to care for the state's youngest children.

T.E.A.C.H. Early Childhood® is a scholarship program that helps early childhood professionals get credentials in their particular area of work. REWARD provides stipends directly to teachers and other providers based on their current level on the Registry Career Ladder. Both programs promote child care professional development and child care quality by improving teacher skills and reducing teacher turnover. By restoring funding to these essential programs, Wisconsin will see an increase in the number of highly trained child care professionals.

Estimated Fiscal Effect: \$3.3 million annually.

25. *The Task Force recommends maintaining full funding of the Wisconsin Shares Program, which provides child care subsidies to low-income families.*

Justification: In May 2004, Wisconsin Shares assisted more than 30,000 low-income families with child care, and served more than 53,000 children.³¹ Furthermore, two out of three Shares participants are under the age of 6.³² Unlike many states, Wisconsin does not currently have a waiting list for child care subsidies. Wisconsin's success at addressing the current demand for services stands in stark contrast to other states that have been forced to establish waiting lists or reduce subsidy amounts in order to address budgetary realities. Continued funding of Wisconsin Shares, which totals nearly \$300 million annually, is vital for thousands of Wisconsin families who rely on the child care subsidy to secure access to affordable child care for their children.

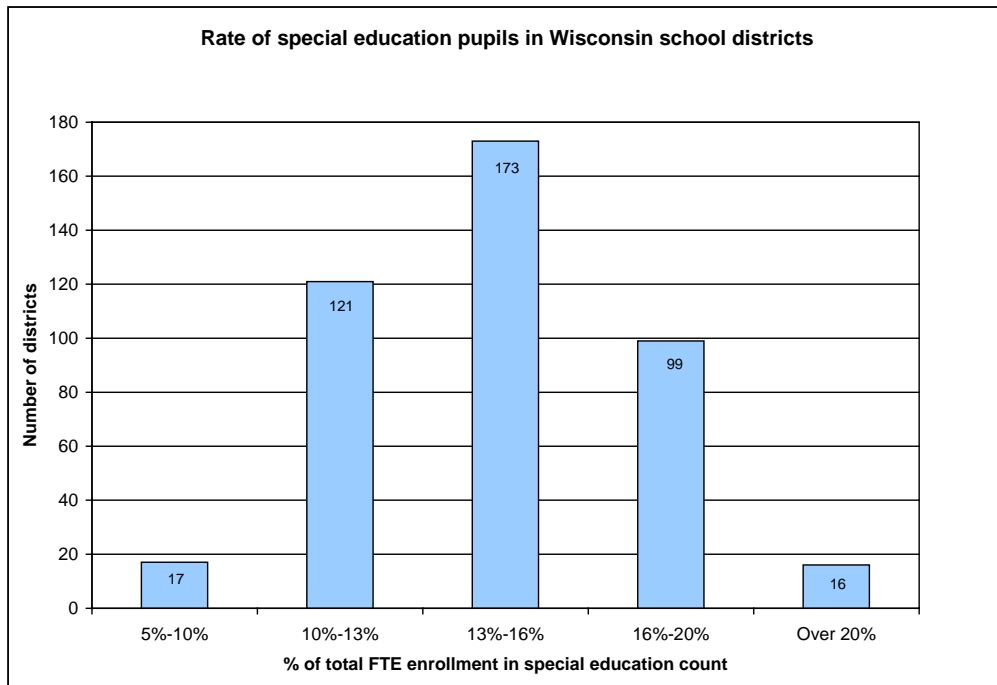
As part of his KidsFirst Initiative,³³ Governor Doyle recently announced a plan to provide quality rankings for child care centers. Governor Doyle's initiative proposes, in coordination with the completion of the quality ranking system, the development of a tiered reimbursement system under which high quality programs will receive higher Wisconsin Shares reimbursements. Such a system, which must be crafted in collaboration and cooperation with child care providers, will create significant incentives for quality and will reward those centers which are providing our children with the best opportunities. Tiered systems are operating in some fashion in thirty-four states.

Estimated Fiscal Effect: No additional funding beyond the current state funding commitment is required for this recommendation. However, if demand continues to grow and if federal funding does not keep up, additional state funds may be necessary.

IV. Special Education

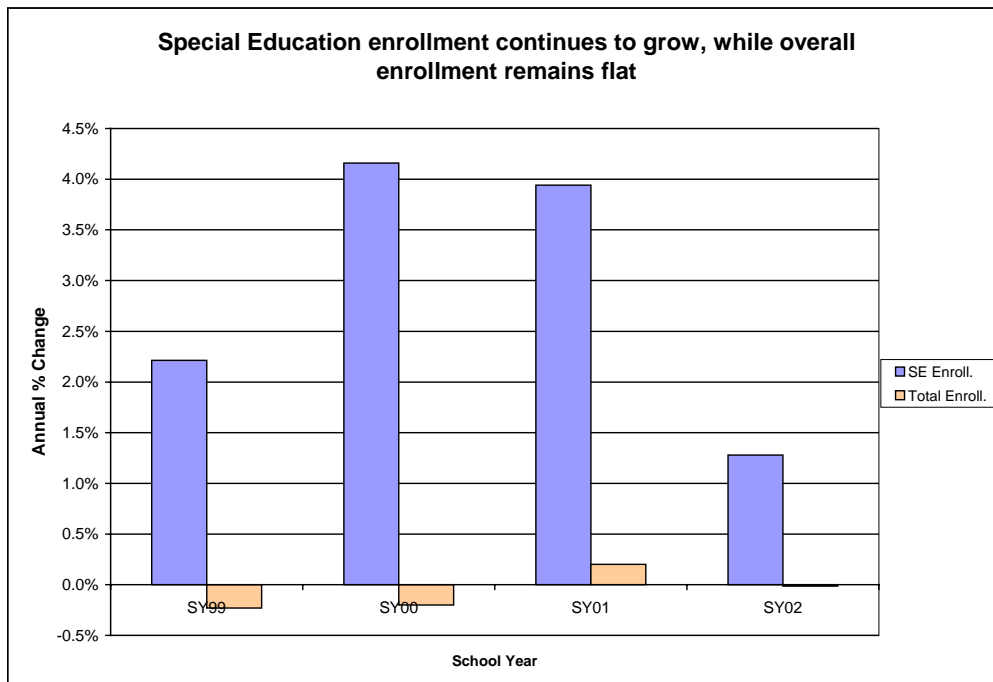
Problem: Every school district in Wisconsin faces the challenges and experiences the rewards of providing a sound, basic education to children with disabilities. According to DPI data, over

126,000 students received special education services in 2001-02, with the majority of districts having between 10% and 16% of their pupils receiving special education services.



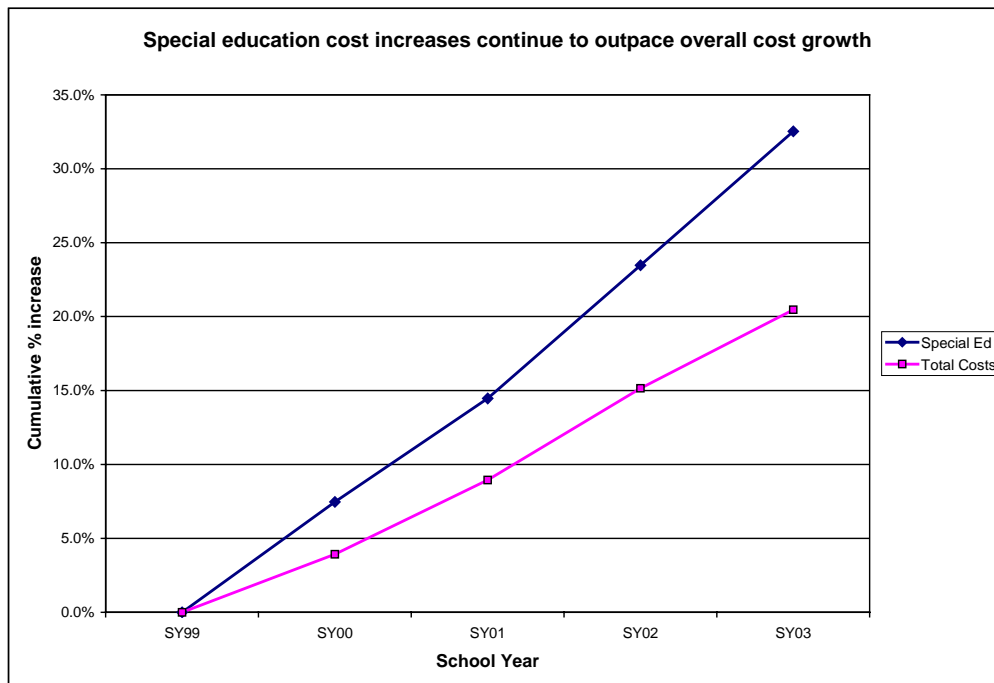
Source: Department of Public Instruction

While overall statewide pupil enrollment has remained virtually flat (and is expected to decrease over the next decade), special education enrollment continues to grow.



Source: Department of Public Instruction

Further, the demographics of special education make its costs a rising portion of many districts' budgets.



Source: Department of Public Instruction

Rising special education costs are creating tension between funding for regular education programs and funding for special education programs. The percentage of state reimbursement of special education costs (from the state's special education categorical aid) has dropped from 60% in 1989-90 to approximately 30% in 2003-04, requiring districts to fund a greater portion of special education costs from their general program funds. The problem is compounded by the failure of the federal government to fulfill its commitment to fund 40% of average per pupil costs.

In addition, special education costs, particularly those associated with high-need, low-incidence children with disabilities, have a serious effect on the budgets of smaller school districts. Smaller school districts with smaller budgets, as well as other districts that establish special education programs that attract more families, are uniquely affected by the insufficient amount of funds provided to them under current law.

Goals

- Reduce competition between regular education and special education for scarce financial resources.
- Reduce the financial effects of high-need/low-incidence special education students on school district budgets.
- Promote better understanding and awareness of the special education process.
- Promote greater integration and streamlining of services for children with disabilities across state and local governments.

Recommendations

26. *The Task Force recommends the creation of a new categorical aid program to reimburse school districts for otherwise non-reimbursed costs, above a specified base level, for High-Need/Low Incidence special education students.*

Justification: Providing quality services to high-need and high-cost special education students is critical to their development. However, providing these services can place severe strain on a school district's budget. Further, state and federal requirements obligating school districts to direct resources toward high-cost special education services can divide school communities over the reallocation of resources away from general education programs.

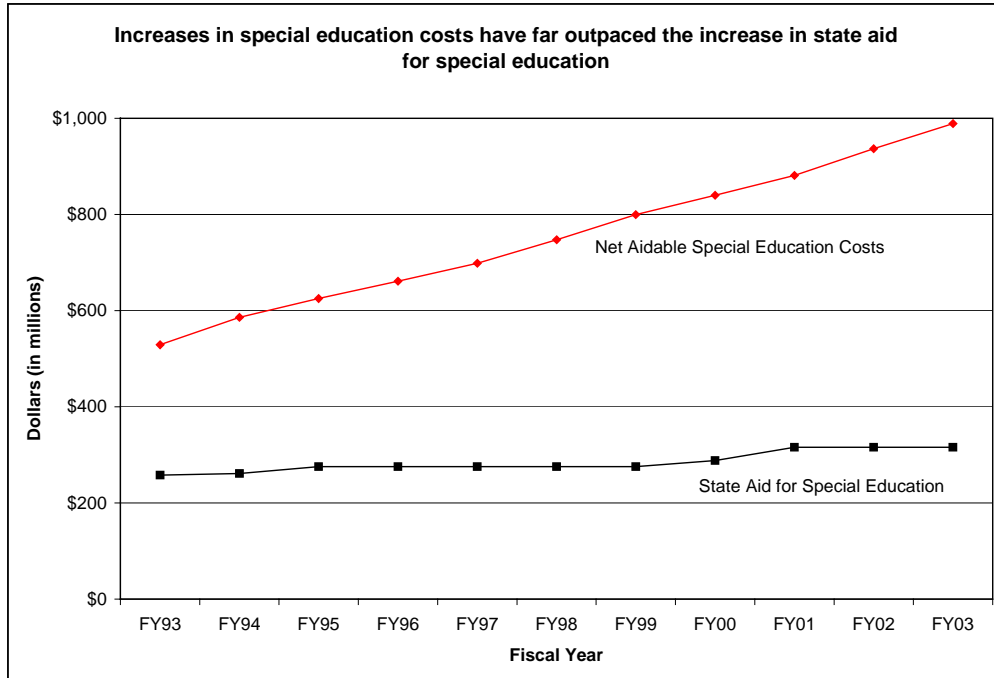
In June 2004, State Superintendent Burmaster announced that DPI was allocating \$2 million in discretionary federal funds to partially reimburse school districts that provide special education and related services that exceed \$30,000 for an individual student. Over 135 school districts, 3 Cooperative Educational Service Agencies (CESAs), and 3 county Children with Disabilities Boards (CDEBs) reported a total of approximately 390 students that qualified for these funds.

The Task Force believes efforts like the Superintendent's must be supported and expanded to ensure sufficient funding for school districts charged with educating high-need/low incidence special education students. Adequately funding these critical needs will go a long way toward ensuring quality educational opportunities for all children. Further, sufficient funding for these children with disabilities will provide much needed financial assistance to smaller schools whose budgets are significantly affected by the enrollment of even one high-need, low-incidence special education child.

Estimated Fiscal Effect: The eventual cost of this proposal could range from approximately \$4 million to \$10 million per year. The cost will depend on the threshold chosen for the categorical aid to fund. If a higher or lower level is chosen, the costs will increase or decrease accordingly. Furthermore, the Task Force recommends that new money be allocated for this categorical aid program, rather than a reallocation of existing special education funds.

27. *The Task Force recommends substantially increasing the state's special education categorical aid.*

Justification: The percentage of special education aided by the state's categorical grant has declined by half, from 60% in 1989-1990 to only 30% in 2003-04. While the categorical aid was modestly increased by \$5.8 million in the 2003-05 biennial budget, this was the first increase since 1999-2000.



Source: Department of Public Instruction

While funding has been relatively stagnant in recent years, the number of special education students identified and the costs associated with educating them continue to grow faster than overall district costs. This funding situation requires districts to divert resources, including state equalization aid and local funds, to special education students and away from regular programming. Under revenue caps, funding special education becomes essentially a zero-sum proposition; the needs of special education students are pitted against those of other students.

Providing additional funds to this categorical aid will help reduce competition for scarce dollars between regular education and special education programs, and will help to ensure quality programming in both areas. The current system of equalization aid and revenue controls disregards the extra costs associated with providing children with disabilities a sound, basic education. Increasing this categorical aid also responds to the State Supreme Court directive under *Vincent v. Voight* that state aid take into account school districts with disproportionate numbers of special education students.

Estimated Fiscal Effect:, the following are examples of the cost of specified percentage increases in the special education categorical aid program:

- 5% increase in categorical funding (would bring reimbursement level to roughly 32% in FY06) = \$16-\$17 million GPR;
- 10% increase in categorical funding (would bring reimbursement level to roughly 34% in FY06) = \$32-\$34 million GPR; and
- 15% increase in categorical funding (would bring reimbursement level to roughly 38% in FY06) = \$48-\$50 million GPR. While the Task Force elected not to select a specific funding target, the Task Force suggests that the 15% increase would be the most desirable.

28. *The Task Force recommends that state agencies conduct an assessment of the use of existing state resources in the areas of education, health, and school-to-work programs as they apply to individuals with disabilities and that state agencies be directed to develop a streamlined, non-duplicative process for the provision of services to such individuals. Further, the Task Force recommends directing state agencies to engage local governments and school districts to seek greater collaboration to streamline existing efforts.*

Justification: This recommendation will help to ensure that the state provides services to individuals with disabilities in a coordinated fashion that is easily understood and utilized by citizens participating in the process, and further promotes a greater state-local partnership and coordination in the provision of services to students with disabilities.

Estimated Fiscal Effect: Minimal state and local fiscal effect.

